Physician or Other Supplier Disagreement with the Overpayment

The physician or other supplier has the right to appeal the decision if he or she disagrees with the overpayment. Effective with Joint Signature Memorandum #255, dated June 3, 2004, recoupment will cease as a result of a demand letter if:
(a) the overpayment is determined on or after October 29, 2003, and (b) a valid first level appeal has been received.

Medicare Collects Interest on Unpaid Overpayments

Part B overpayments must be returned to the local Medicare carrier; physicians and other suppliers must not keep incorrect payments. In addition, these overpayments often require the refund of co-payments made by or on behalf of beneficiaries.



Where Can I Obtain More Information?

Physicians and other suppliers who may have questions related to the overpayment process or who want to know the steps to take when there is a potential overpayment should contact their local Medicare contractor's toll-free customer service number for assistance.

Please visit the following website www.cms.hhs.gov/contacts/incardir.asp to find the Medicare contractor's toll-free customer service number for your local area.

The Medicare Learning Network (MLN)

The Medicare Learning Network (MLN) is the brand name for official CMS educational products and information for Medicare fee-for-service providers. For additional information visit the Medicare Learning Network's web page at www.cms.hhs.gov/MLNGenInfo on the CMS website.

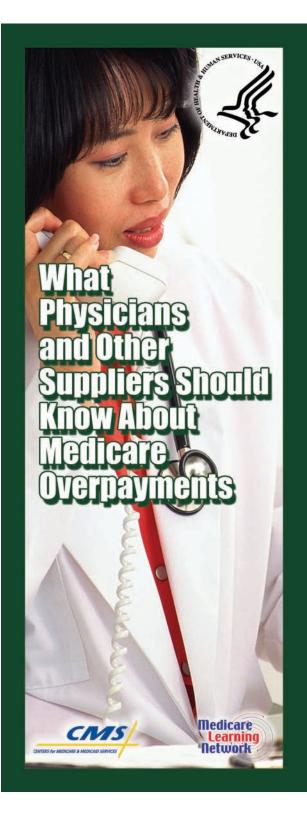


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Overview

This brochure provides a general overview of the overpayment process for Medicare Part B providers. Medicare defines Part B providers as physicians and other suppliers.

What is an Overpayment?

Overpayments are Medicare funds a provider or beneficiary has received in excess of amounts due and payable under the Medicare statute and regulations. Once a determination of overpayment has been made, the amount of the overpayment is a debt owed to the Federal Government. Federal law requires CMS to seek recovery of overpayments, regardless of how an overpayment is identified or caused.

An overpayment occurs when Medicare pays more than the proper amount. This is often due to the following:

- Duplicate submission of the same service or claim.
- Payment to the incorrect payee.
- Payment for excluded or medically unnecessary services.
- Payment made as primary payer when Medicare should have paid as secondary payer.



Physician and Other Supplier Responsibilities in an Overpayment Situation

Medicare strives to ensure payment accuracy; however, mistakes occasionally occur. If Medicare pays more than the proper amount, providers are responsible for



making voluntary/unsolicited refunds to Medicare as soon as possible, without waiting for notification.

The local Medicare carrier can provide information regarding where to mail the refund. The following must be included with the refund:

- The provider number (and that of the provider who should be paid, if applicable).
- The Medicare number of the patient(s) in question, date of service, and amount overpaid.
- A brief description of the reason for the refund.
- A copy of the remittance notice, highlighting the claim(s) at issue.
- A check for the overpaid amount.

The acceptance of a voluntary/unsolicited refund in no way affects or limits the rights of the Federal Government or any of its agencies or agents to pursue any appropriate criminal, civil, or administrative remedies arising from or relating to the applicable claims.

If Medicare Discovers an Overpayment Before Refund is Made

Physicians and other suppliers are also responsible for timely repayment when Medicare notifies them of an overpayment. Medicare will send a letter listing the service(s) at issue, why the overpayment occurred, and the amount being requested. If the overpayment is not paid within the timeframe specified in the letter, interest is assessed from the date of the letter.

If no response is received from the physician or other supplier 30 days after the date of the first demand letter, a second demand letter shall be sent between day 31 and 45 days. If a full payment is not received 40 days after the date of the first demand letter, the carrier shall start recoupment from future payments on day 41.

